Dear [Name],

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-224-2018)

On October 22, 2018, the Department of Natural Resources received your request for access to the following records/information:

Any Decision, Direction, Information, Meeting, Briefing or other such note created in 2018 regarding ANACONDA MINING INC.

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29 (1)(a), 35 (1)(d), 35 (1)(f), 35 (1)(g), 39 (1)(a)(ii), 39 (1)(b), 39 (1)(c)(i), 39 (1)(c)(ii) and 39 (1)(c)(iii) of ATIPPA, 2015 as follows:

29. (1)(a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

35. (1)(d) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

35. (1)(f) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose positions, plans, procedures, criteria or...
instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations;

35. (1) (g) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body;

39. (1) (a)(ii) The head of a public body shall refuse to disclose to an applicant information that would reveal commercial, financial, labour relations, scientific or technical information of a third party;

39. (1) (b) The head of a public body shall refuse to disclose to an applicant information that is supplied, implicitly or explicitly, in confidence;

39. (1) (c) (i) The head of a public body shall refuse to disclose to an applicant information the disclosure of which could reasonably be expected to harm significantly the competitive position or interfere significantly with the negotiating position of the third party,

39. (1) (c) (ii) The head of a public body shall refuse to disclose to an applicant information the disclosure of which could reasonably be expected to result in similar information no longer being supplied to the public body when it is in the public interest that similar information continue to be supplied;

39. (1) (c) (iii) The head of a public body shall refuse to disclose to an applicant information the disclosure of which could reasonably be expected to result in undue financial loss or gain to any person.

As set out in section 42 of the Act you may ask the Information and Privacy Commissioner to review the department’s decision to provide access to the requested information. A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your request should identify your concerns with the department’s response and why you are requesting a review.

The request for review may be addressed to the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P.O. Box 13004, Stn. A
St. John’s, NL. A1B 3V8
Pursuant to section 52 of the Act, you may also appeal directly to the Supreme Court Trial Division within 15 business days after receiving the department’s decision.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

For further details about how an access to information request is processed, please refer to the Access to Information Policy and Procedures Manual at http://www.atipp.gov.nl.ca/info/index.html.

If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

Rod Hynes
ATIPP Coordinator
Meeting Note
Department of Natural Resources
Anaconda Mining
Monday March 5, 2018; 8:30 to 9:00 AM
150 York Street, 4th Floor, Suite 410

Attendees:
Dustin Angelo, President, CEO and Director, Anaconda Mining Inc.
Lynn Hammond, Vice President, Public Relations, Anaconda Mining Inc.
Rob Dufour, Chief Financial Officer, Anaconda Mining Inc.
Gordana Slepcev, Chief Operating Officer, Anaconda Mining Inc.

Minister Coady
Gordon McIntosh, Deputy Minister

Purpose of Meeting:
- Anaconda has requested a meeting with the Minister at PDAC to provide an update on plans for the Argyle deposit and to discuss a confidential business opportunity.

Background:
- Anaconda Mining Inc. (Anaconda) operates the Point Rousse Project located in the Baie Verte Mining District comprised of the Pine Cove open pit mine, the Pine Cove mill and tailings facility, the Stog’er Tight deposit, the Argyle deposit, and approximately 5,800 hectares of prospective gold-bearing property. Anaconda is also advancing the Goldboro Project in Nova Scotia.

- Anaconda expects to complete mining in the main pit at Pine Cove in the later part of Q1 2018, after which the operation will transition into development of the Stog’er Tight Deposit. Based on the Point Rousse Technical Report announced on February 26, 2018, Stog’er Tight is estimated to contain probable mineral reserves of 191,500 tonnes containing 14,740 ounces of gold. Stog’er Tight will be mined out by Q2 2019.

- In an effort to increase mineable reserves beyond 2019, Anaconda is focusing on its Viking Project and Argyle Deposit. Further information on Argyle is outlined under Agenda Item #1.

- Anaconda generated 95 person years of employment in 2017 and is expected to remain at that level in 2018.

- Gold prices have remained above US$1,300 per troy ounce each day thus far into 2018. This can be partly attributed to US dollar weaknesses and the steep drop in crypto-currency prices.

- Anaconda acquired the Goldboro Gold Project in May 2017 as part of a merger with Orex Exploration Inc. Anaconda expects it will be able to accelerate the development of the Goldboro Project at a lower capital cost than if it were a stand-alone project. On January 17,
2018, Anaconda published a preliminary economic assessment of Goldboro, highlighting positive economics for the project.

- In June 2017, Anaconda received $2 million in funding from Atlantic Canada Opportunities Agency (ACOA) and the Department of Tourism, Culture, Industry and Innovation in support of an innovative approach to mining narrow vein deposits. The ACOA loan of $1.5 million through the Atlantic Innovation Fund is conditionally repayable upon the success of the project. The $520,000 received through the Provincial GeoEXPLORE program is a grant. The funds will help establish a research and development project that will prototype and optimize a new technology that can cost-effectively mine steeply dipping narrow gold veins such as the Romeo and Juliet deposits near Pine Cove.

- NR has been approached by Anaconda to partner with them in participating in an investment attraction event termed Canadian Mining Symposium to take place in London on April 24-25, 2018. Sponsored by the Northern Miner, the symposium is invite-only and among last year’s delegates were representatives from major investment houses as well as high-net-worth investors, mid-size investment firms and representatives from major mining corporations domiciled in Europe.

- The full sponsorship cost of $20,000 would include a 45 minute panel discussion on mining in NL, and a booth to display marketing materials. The panel would include representatives from government and industry in NL. We would also be given advertising and editorial space (province to supply) in the ‘Focus on Canada’ magazine, a special production by the Northern Miner to accompany the event.

- Promotions has not budgeted for this event and it is not in the promotions plan. Promotions is also concerned about the lack of preparation time.

**Agenda item #1 (Argyle Mine Environmental Assessment Process)**

- Anaconda is hoping to have open pit mining of the Argyle deposit approved within 12 months.

**Analysis**

- On January 8, 2018, Anaconda released an initial Mineral Resource Estimate (NI 43-101) for Argyle. The estimate highlighted an indicated resource of 543,000 tonnes at 2.19 grams per tonne (containing 38,300 ounces of gold) and an inferred resource of 517,000 tonnes at 1.82 grams per tonne (containing 30,300 ounces of gold).

- The technical report recommends that further drilling and engineering studies be done for Argyle to refine structural controls on mineralization and to prepare a mining plan and to proceed with permitting pending a positive cash flow analysis.
• It is unusual for a gateway decision to proceed with mining a deposit to be made based on indicated resources. Per the Canadian Institute of Mining mineral resource classifications, an indicated resource would have sufficient confidence to support mine planning and a pre-feasibility study. Measured resources would generally be used to support a feasibility study and production planning.

• NR is not aware of the feasibility of the Argyle project having been studied at any level of detail. A pre-feasibility or feasibility study would provide the cost inputs to determine how much of the resource was economic. At a minimum, a pre-feasibility study is required to convert a mineral resource to a mineral reserve.

• The Argyle deposit is located adjacent to the Protected Water Supply for Ming’s Bight. NR understands that the proposed development is fully outside of the protected area, so should not be an issue.

• The Argyle development will consist of construction of a haul road from Argyle to Stog’er Tight (approximately 1.3 kilometres), two small open pits, waste rock pile and site drainage ditching and settlement ponds.

• The Argyle deposit is approximately one kilometre from Ming’s Bight and approximately 150 metres above the town in elevation.

• Anaconda has indicated that they have met with the Ming’s Bight council on two occasions.

• Anaconda has a very aggressive schedule for permitting. If their schedule is not met, it may impact the continuity of operations of the Pine Cove mill.

Potential Speaking Points
• The Minister may wish to inquire about economic studies that might have been done on Argyle and whether Anaconda intends to issue a technical report on the results.

• The Minister may wish to inquire about whether recommendations in the recently issued NI 43-101 technical report will be followed and how that may impact Anaconda’s schedule for development of Argyle.

Proposed Actions
• NR will work with Anaconda towards review of Mining Act related approvals.

Agenda item #2 (Government Support for Business Funding)
• Anaconda would like to discuss government support for business funding.

Analysis
• Anaconda indicated that they would like to discuss a confidential business opportunity and would provide details at the meeting.
### Potential Speaking Points
- N/A.

### Proposed Actions
- N/A.

#### Prepared/Approved by:
- G. Taylor / A. Smith

#### Ministerial Approval:
- Received from

#### February 27, 2018

#### Attachments:
- Point Rouse Timeline
- Biographies
Point Rousse Timeline

**Timeline**

- **Q1 2018**
  - Argyle: Submit EA Document for review
  - Pine Cove: Complete mining operations
  - Stog’er Tight: Begin mining operations

- **Q2 2018**
  - Argyle: Begin work on Development, Rehab, and Closure Plans
  - Stog’er Tight: Continue mining operations

- **Q3 2018**
  - Argyle: Submit Development, Rehab, and Closure Plans
  - Stog’er Tight: Continue mining operations

- **Q4 2018**
  - Argyle: Develop road access from Stog’er Tight to Argyle
  - Stog’er Tight: Continue mining operations

- **Q1 2019**
  - Argyle: Begin Stripping, grubbing, tree cutting
  - Stog’er Tight: Complete mining operations

- **Q2 2019**
  - Argyle: Begin mining operations
  - Stog’er Tight: Complete mining operations
Biographies

Dustin Angelo – President, CEO and Director, Anaconda Mining Inc.
Dustin has been president and CEO of Anaconda Mining since September 2010, and has been a director since November 2009. Under his guidance, Anaconda has expanded its land package ten-fold, acquired a second project in Newfoundland, eliminated all interest-bearing debt of the company and built a sustainable, profitable operation.

Prior to joining the Anaconda team, Dustin served as CFO of Elgin Mining Inc. from August 2006 to November 2010; as VP of MHI Energy Partners from 2005 to 2006, and; as a Principal at New York City’s Waller Capital Corporation from 1997 to 2005. Dustin was also a founding member and director of North American Limestone Corporation.

Dustin earned a BSBA in Accounting and International Business from Georgetown University and a MBA from the Columbia Business School. He is a Certified Public Accountant, licensed in the state of Kentucky.

Lynn Hammond – Vice President, Public Relations, Anaconda Mining Inc.
Lynn has been the Vice President Public Relations for Anaconda Mining since December 2015, responsible for media, public and government relations. Her career experience consists of senior roles in public service including Director of Communications for Newfoundland and Labrador Government Departments of Municipal Affairs, Fire and Emergency Services, Education and Post-Secondary Education. She also held senior positions in the Communications Branch of Executive Council and the Office of the Premier.

Rob Dufour – Chief Financial Officer, Anaconda Mining Inc.
Rob brings to the Anaconda team his experience in capital markets and finance, including debt structuring, royalty arrangements and corporate transactions, as well as strong experience with financial management and reporting, corporate governance and risk management.

Most recently Rob was the CFO of Newmarket Gold, a TSX-listed mid-tier Australian gold producer which produced over 220,000 ounces of gold annually. Prior to his appointment as CFO at Newmarket Gold in 2015, he was the CFO of Crocodile Gold. Dufour previously worked with Northgate Minerals Corporation as Corporate Controller, and subsequently was promoted to Group Financial Controller for Northgate’s Australian subsidiaries, until its acquisition by AuRico Gold.

Gordana Slepcev – Chief Operating Officer, Anaconda Mining Inc.
Gordana is the Chief Operating Officer of Anaconda Mining and is responsible for managing all operational aspects of the company and plays an integral role in tactical matters such as permitting and mine development of the Point Rousse and the Goldboro Project. Prior to being promoted to COO, she was the Vice President of Technical Services and was directly responsible for overseeing the mining and geology departments at the Point Rousse Project.

Gordana earned a Master’s Degree in Science and a Bachelor’s Degree in Mining Engineering from the Yugoslavia (Belgrade) Faculty of Mining and Geological Engineering, and has more than twenty years of experience in mining base metals, coal and gold.
Title: Anaconda Mining Inc. releases Mineral Resource Estimate (NI 43-101) for the Argyle Gold Deposit

Issue: The development of the Argyle Gold Deposit is time sensitive and critical to Anaconda Mining Inc.’s ability to maintain continuous operation at the Pine Cove mill.

Background and Current Status:
- Anaconda Mining Inc. (Anaconda) operates the Point Rouse Project, located in the Baie Verte Mining District, consisting of the Pine Cove open pit mine, the Pine Cove mill and tailings facility, the Stog’er Tight mine, the Argyle Deposit (Argyle), and approximately 5,800 hectares of prospective gold-bearing property. Anaconda is also advancing the Goldboro Project in Nova Scotia.
- Argyle is located slightly northeast of the Stog’er Tight mine and approximately 5km from the Pine Cove mill. It was discovered in late 2014 through a soil sampling program, which was then followed up by trenching and channel sampling. Argyle is defined over a strike length of 685m and a down-dip depth of 225m. It is open for expansion in all directions.
- On January 8, 2018, Anaconda released an initial Mineral Resource Estimate (NI 43-101) for Argyle. The estimate highlighted an indicated resource of 543,000 tonnes grading 2.19 g/t gold (38,300 ounces) and an inferred resource of 517,000 tonnes grading 1.82 g/t (30,300 ounces).
- The resource estimate is based on validated results of 52 surface drill holes (4,820m) and 12 surface trenches completed by Anaconda since discovery of the deposit.
- Anaconda is currently preparing the Argyle Environmental Assessment registration document, which will be submitted in Q1 of 2018. Anaconda is hoping to have all permits and approvals for production in the spring of 2019.

Analysis:
- Anaconda’s Pine Cove open pit mine is approaching exhaustion with mining to be completed by Q2 2018. Anaconda will mine Stog’er Tight from Q3 2018 to Q2 2019, and will be the operation’s sole source of ore for the Pine Cove mill. Anaconda’s plan is to mine Argyle when Stog’er Tight is depleted. Preliminary estimate is that Argyle will have an approximate mine life of 2.5 years.
- The development of Stog’er Tight and Argyle would enable continuous operation at the Pine Cove mill until the Goldboro Project in Nova Scotia comes on stream. Continued exploration work is taking place at Goldboro to determine its mineral expansion potential. Anaconda published a preliminary economic assessment of Goldboro in January 2018, highlighting positive economics for the project. It is anticipated that Goldboro will produce gold in 2021.
- Argyle will be subject to Environmental Assessment at the provincial level and may also be subject to Environmental Assessment at the federal level. In accordance with the Canadian Environmental Assessment Act (2012), under regulations designating physical activities, “the construction, operation, decommissioning and abandonment of a new rare earth
element mine or gold mine, other than a placer mine, with an ore production capacity of 600 t/day or more", will require environmental assessment. The Pine Cove mill has a 1,300 tonne per day production capacity.

- There will be significant pressure on Anaconda to have Argyle's permitting approved as Stog'er Tight is mined out in the spring of next year. The Environmental Assessment process of Argyle will create a very aggressive schedule for Anaconda and any delays in the release could delay the development of Argyle.

- Argyle's mineral resources, as defined in the resource estimate, are considered to have reasonable potential for economic development in the foreseeable future, primarily through open pit mining methods at Anaconda's three year trailing average gold price of US$1,225 per ounce.

Action Being Taken:
- Natural Resources will continue to monitor Anaconda operations and stay up to date on any developments related to Argyle.

Prepared/Approved by: G. Taylor / K. Bradbury
Ministerial Approval:

March 20, 2018
Title: Anaconda releases Preliminary Economic Assessment of Goldboro Project in Nova Scotia

Issue: The development of the Goldboro Project is critical to Anaconda’s long term operation.

Background and Current Status:

- Anaconda Mining Inc. (Anaconda) operates the Point Rousse Project, located in the Baie Verte Mining District, consisting of the Pine Cove open pit mine, the Pine Cove mill and tailings facility, the Stog’er Tight mine, the Argyle Deposit, and approximately 5,800 hectares of prospective gold-bearing property. Anaconda is also advancing the Goldboro Project (Goldboro) in Nova Scotia, located approximately 175km northeast of Halifax.

- On January 17, 2018, Anaconda announced the release of an independent Preliminary Economic Assessment (PEA) of Goldboro. The PEA provides a base case assessment of developing Goldboro through open pit and underground mining. Concentrate would be produced on-site through gravity and flotation, reducing the mass of material to be shipped to Pine Cove for final gold recovery using the existing cyanide leach and Merrill Crowe process. The PEA was filed on SEDAR on March 2, 2018.

- The Goldboro Deposit is composed of three systems, East Goldbrook, Boston-Richardson, and West Goldbrook, and was validated based on the results of 272 surface drill holes and 119 underground drill holes, for a total of 66,743m of diamond drilling.

- The mineral resource estimate, effective December 31, 2017, highlighted a total measured and indicated resource of 3,645,000 tonnes grading 4.48 g/t (525,400 troy ounces). The resource estimate also highlighted an inferred resource 2,542,000 tonnes grading 4.25 g/t (347,300 troy ounces). No mineral reserves were identified in the PEA.

- An economic analysis of Goldboro was presented in the PEA, assuming a constant commodity price of $1,550 per ounce. The project indicated an after-tax cash flow of $106M, after-tax Net Present Value (7% discount rate) of $61M, and an after-tax Internal Rate of Return of 26%.

- Goldboro mine life is listed at 9 years and has a potential mill feed of 2.4M tonnes (1.076M tonnes open-pit, 1.358M tonnes underground). With an average feed grade of 5.15 g/t, 375,931 ounces are expected to be produced over the 9 years.

- Capital costs over the life of the project are estimated at $88.8M. This represents $46.7M in pre-production, $22.4M in year 1, and $19.3M in year 2. Lower capital amounts of 200k are expected to be required in year 4 and year 9.

- Continued exploration work is taking place at Goldboro to determine its mineral expansion potential. On February 14, 2018, Anaconda initiated the second stage of an expanded 7,000m diamond drill program at Goldboro. The drill program will focus on the East Goldbrook and Boston Richardson systems with the aim to test the under-explored portions of the deposit, particularly in the areas identified for development within the PEA.

Analysis:

- Anaconda’s Pine Cove open pit mine is approaching exhaustion with mining to be completed by Q2 2018. Anaconda will mine Stog’er Tight from Q3 2018 to Q2 2019, and this will be the operation’s sole source of ore for the Pine Cove mill. Anaconda’s plan is to mine
Argyle when Stog’er Tight is depleted. The development of Stog’er Tight and Argyle would enable continuous operation at the Pine Cove mill until Goldboro comes on stream which is anticipated to be in 2021.

- With favourable logistics and existing infrastructure in place, Anaconda expects it will be able to accelerate the development of the Goldboro Project at a lower capital cost than if it were a stand-alone project. Ore will be pre-concentration on-site at Goldboro and trucked to the Pine Cove mill in NL for further processing.

- The Goldboro PEA assumes a gold price of $1,550 per ounce.

**Action Being Taken:**
- Natural Resources will continue to monitor Anaconda operations and stay up to date on any developments related to Goldboro.

**Prepared/Approved by:** G. Taylor

**Ministerial Approval:**

March 21, 2018
Information Note
Department of Natural Resources

Title: Newfoundland and Labrador Mining Industry Overview

Issue: Overview of the status of the mining industry in Newfoundland and Labrador for the 2018 Energy and Mines Ministers' Conference

Background and Current Status:
- The gross value of mineral shipments for Newfoundland and Labrador in 2017 was $3.60 billion with a forecasted value of $3.39 billion for 2018.

- The NL Mining industry average employment was 5,335 person years in 2017 with a forecasted value of 6,111 person years in 2018. Mining construction employment included in these values for 2017 and 2018 are 496 and 874 respectively, the increase is mainly attributed to Voisey's Bay Underground Mine Expansion.

- Iron, nickel, and copper contribute 91% of the value of shipments from the province with gold, cobalt, silver, industrial minerals, stone, sand and gravel contributing the remainder.

- Producing mines in the province are summarized in the table below:

<table>
<thead>
<tr>
<th>Operator</th>
<th>Commodity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vale Newfoundland and Labrador Limited</td>
<td>Nickel/Copper/Cobalt</td>
<td>Voisey's Bay</td>
</tr>
<tr>
<td>Iron Ore Company of Canada</td>
<td>Finished Nickel/Copper/Cobalt</td>
<td>Long Harbour</td>
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<tr>
<td>Hi – Point Industries (1991) Ltd.</td>
<td>Peat</td>
<td>Bishop's Falls</td>
</tr>
<tr>
<td>Barite Mud Services Inc.</td>
<td>Barite</td>
<td>Buchans</td>
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<tr>
<td>Trinity Resources Ltd.</td>
<td>Pyrophyllite</td>
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- Vale Newfoundland and Labrador announced that its Voisey's Bay Mine Expansion will proceed this summer. The project represents close to $2 billion in capital expenditures by Vale. There will be 16,000 person years of employment during the five years of construction, peaking at 4,800 person years in 2020. First ore production from underground is expected by April 2021.

- Tacora Resources Inc., an iron ore mining and development company based out of Grand Rapids, Minnesota, has acquired the former Wabush Scully mine in Wabush, Labrador. In a May 2018 Preliminary Economic Assessment the company estimated a capital expenditure of $210 million to reactivate the mine. Tacora has been released from environmental assessment and is currently attempting to raise capital.

- Wabush 3 project, owned by the Iron Ore Company of Canada, was delayed due to a nine week work stoppage. IOC plans to officially open Wabush 3 on September 25, 2018.
• Howse Minerals Limited, a subsidiary of Tata Steel Minerals Canada, has been given Mining Act approval for their Howse project in Menihek area of Labrador.

• Alderon Iron Ore Corp. continues to advance their Kami project located in Labrador West. The company expects to release a new Feasibility Study in Q4, 2018.

• Red Moon Resources Inc. is developing the Ace gypsum deposit near Flat Bay. Mining Act approval is in place and mining can start once financial assurance is in place. The mine will employ 15 people on a seasonal basis with an initial production of 100,000 - 250,000 tonnes per year ramping up to 300,000 – 450,000 tonnes per year. The life of the mine is expected to be 10 years.

• Projects in advanced stages of exploration in the Province:

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<td>Rare Earth Elements</td>
<td>Port Hope Simpson</td>
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Analysis:

• Over the past year, iron ore prices have remained fairly steady with a peak of $79.70 USD/tonne at the end of February. As of July 20, the price is $64.10 and the average price for the past month (June 20 - July 20) is $63.40.

• Efforts to advance potential iron ore projects in Labrador are based on being high quality ore which is in demand from China due to efforts to reduce emission.

• Nickel prices have fluctuated over the past year peaking at $15,750 USD/tonne in June and at July 20 is $13,425. The average price for the past month (June 20 - July 20) is $14,335. Nickel prices are closely related to demand from stainless steel producers who account for about two-thirds of total demand.

• Copper prices had steadily increased since January 2016 and peaked in June at $3.29 USD/lb. Prices have since declined to $2.75 as of July 20 and the average price for the past month (June 20 - July 20) is $2.95.

Prepared/approved by: B.Lawlor / K. Bradbury / A. Smith
Ministerial Approval: Received from Honourable

July 31, 2018
Information Note
Department of Natural Resources

Title: Newfoundland and Labrador Mining Industry Overview

Issue: To provide a status update on the Newfoundland and Labrador Mining Industry

Background and Current Status:
• The gross value of mineral shipments for Newfoundland and Labrador (NL) in 2017 was estimated to be $3.6 billion. The gross value is forecast to be $3.0 billion in 2018. The decrease can be primarily attributed to a reduction in the value of iron ore shipments.

• The NL Mining Industry generated an estimated 5,145 person years of employment in 2017 and expects to generate 5,527 person years of employment in 2018. The increase can be primarily attributed to an expected increase in construction employment related to the proceeding Voisey’s Bay Underground Mine Expansion Project.

• Producing mines in the province are highlighted in the table below:

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<td>St. George’s</td>
</tr>
</tbody>
</table>

• As part of the Phase 3, The Way Forward: Building for Our Future, NR, in collaboration with the mining industry and community stakeholders, is developing a strategic framework for growing the provincial mining industry. Engagement sessions have been completed with specific stakeholders including Mining Industry NL, NL Prospectors Association, and other government departments. Broader consultation sessions will be completed by the first week of October and will be held in Labrador City, Happy Valley-Goose Bay, St. John’s, Springdale and Marystown. NR is targeting a release of the Mineral Strategy, pending completion of aboriginal consultations, at the annual Mineral Resources Review being held November 1, 2018.

• On June 11, 2018, Vale announced that it will be proceeding with the Voisey’s Bay Mine Expansion Project. The project represents close to $2 billion in capital expenditures by Vale and will provide 16,000 person years of employment during the five years of construction, peaking at 4,800 person years in 2020. First ore is expected by April 2021.

• Tacora Resources Inc. has acquired the former Wabush Scully mine in Wabush, Labrador. In a Preliminary Economic Assessment (May 2018) the Company estimated a capital
expenditure of $210 million to reactivate the mine. Tacora has been released from environmental assessment and is currently attempting to raise capital.

- The Wabush 3 project, owned by the Iron Ore Company of Canada, was delayed due to a nine-week work stoppage which ended on May 28, 2018. IOC plans to officially open Wabush 3 on September 25, 2018.

- Howse Minerals Limited, a subsidiary of Tata Steel Minerals Canada, has been given Mining Act approval for the Howse project in the Menihek area of Labrador.

- Red Moon Resources Inc. had its first shipment from the Ace Gypsum Deposit near St. George’s in August 2018. The mine will employ 15 people on a seasonal basis with an initial production level of 100,000 – 250,000 tonnes per year ramping up to 300,000 – 450,000 tonnes per year. The life of the mine is expected to be 10 years.

- Alderon Iron Ore Corp. continues to advance the Kami project located in Labrador West. The Company expects to release a new Feasibility Study in Q4 2018.

- Projects in the advanced stages of exploration in the province are listed in the table below:

<table>
<thead>
<tr>
<th>Operator</th>
<th>Commodity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marathon Gold Corporation</td>
<td>Gold</td>
<td>Valentine Lake</td>
</tr>
<tr>
<td>Maritime Resources Corp.</td>
<td>Gold</td>
<td>King’s Point</td>
</tr>
<tr>
<td>Search Minerals Ltd.</td>
<td>Rare Earth Elements</td>
<td>Port Hope Simpson</td>
</tr>
<tr>
<td>Matador Canada</td>
<td>Gold</td>
<td>Cape Ray</td>
</tr>
<tr>
<td>Buchans Minerals / Minco PLC</td>
<td>Zinc-Lead-Copper-Silver-Gold</td>
<td>Buchans</td>
</tr>
</tbody>
</table>

Analysis:

- Over the past year, iron ore prices have fallen since peaking at US$79.90 per tonne at the end of February 2018. As of September 17, 2018, the price of iron ore is US$69.25 per tonne and the average price over the past month is US$66.82 per tonne.

- There exists increased demand for high-quality iron ore in China as the country is dedicated to reducing its emission levels.

- Nickel prices have increased slightly over the past year peaking at US$15,750 per tonne in June 2018. As of September 17, 2018, the price of nickel is US$12,235 per tonne and the monthly average is US$12,863 per tonne.

- Copper prices have declined over the past year and as of September 17, 2018 sit at US$2.66 per pound.

Prepared/approved by: G. Taylor / A. Smith
Ministerial Approval: [Signature]
September 17, 2018